

**ELMA SCHOOL DISTRICT No. 68**  
**Grays Harbor County, Washington**  
**September 1, 1993 Through August 31, 1994**

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**Schedule Of Federal Findings**

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1. District Overclaimed Chapter 1 Grant Expenditures

During our audit, we reviewed the fiscal year 1993-94 Chapter 1 payroll expenditures. Because of a clerical error, the district claimed reimbursement for, and received, \$2,472 more than they were entitled to under this grant program.

U.S. Office of Management and Budget's (OMB) Circular A-87, *Cost Principles for State and Local Governments*, state in part:

To be allowable under a grant program, costs must meet the following general criteria: Be necessary and reasonable . . . be allocable . . . A cost is allocable to a particular cost objective to the extent of benefits received by such objectives.

This clerical error occurred when teacher assignments were changed, but the changes were not fully reflected in the payroll accounting system.

We recommend that the Elma School District reimburse the Superintendent of Public Instruction the questioned costs identified above.

We further recommend that the Elma School District reconcile time and attendance source documents to the actual payroll distribution reports.